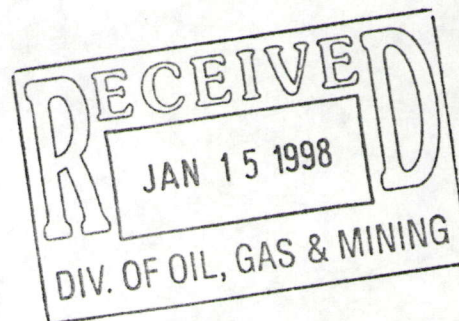


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BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH

\* \* \*



BARRICK MERCUR GOLD MINES, :  
INC., MERCUR MINE, :  
M/045/017, TOOELE COUNTY, :  
UTAH -- REQUEST FOR BOARD :  
APPROVAL, AMOUNT AND FORM :  
OF REPLACEMENT RECLAMATION :  
SURETY. :

\* \* \*

Wednesday, December 10th, 1997, a hearing was held in the above matter before the Board of Oil, Gas and Mining, at the Department of Natural Resources, 1594 West North Temple, Room 1040A, Salt Lake City, Utah.

Reported by:

Scott M. Knight, RPR



ASSOCIATED PROFESSIONAL REPORTERS, L.C.

# A P P E A R A N C E S

## CHAIRMAN:

Dave Lauriski

## BOARD MEMBERS:

Raymond Murray  
Elise Erler  
Jay Christensen  
Allan Mashburn  
Stephanie Cartwright

## STAFF MEMBERS:

Lowell P. Braxton, Acting Director, Division of  
Oil, Gas and Mining  
Christine Allred, Secretary to the Board  
Patrick J. O'Hara, Assistant Attorney General  
Daniel G. Moquin, Assistant Attorney General  
Ronald W. Daniels, Coordinator, Minerals Research  
D. Wayne Hedberg, Permit Supervisor  
John Baza, Associate Director of Oil and Gas  
Mary Ann Wright, Associate Director, Mining Programs  
Tom Munson, Minerals  
Steve Schneider, Oil and Gas  
Diane Rubey, Legal Secretary

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P R O C E E D I N G S

MR. LAURISKI: Okay. Good morning again.

We'll now proceed to our formal agenda for the month -- actually, for the months of November and December. Our first item is Agenda Item No. 1 in Barrick Mercur Gold Mines, Inc., Mercur Mine, M/045/017, Tooele County, Utah. This is a Request for Board Approval, amount and form of replacement reclamation surety.

And let the record reflect that Board member Faddies has recused himself from this matter and will return following completion.

Mr. Munson, if you would, please.

MR. MUNSON: Yes. My name is Mr. Munson. I would like -- good morning, Mr. Chairman, members of the Board -- to request a Board approval for the amount and form of replacement reclamation surety for the Barrick Mercur Gold Mines' Barrick Mercur Mine located in Tooele County.

They have requested a partial bond release for their Sunrise Dump area, which was reclaimed and released. Site inspection was performed at the Sunrise Dump, and it was determined that the vegetation and the regrading and all was adequate and that the area could be released from further reclamation liability.

The -- since Barrick is a self-bond, we had

1 our -- in the package we put together the reclamation  
2 estimate update. And if you had looked at that, the bond  
3 actually goes up from what was originally approved, the  
4 \$6,874,410. You take out the Sunrise reduction from the  
5 waste rock disposal areas and you get a new estimate,  
6 which is less, but then we had to escalate that and  
7 include contingency and whatnot. And the bond -- the  
8 self-bond actually went up to \$8,509,500.

9 Steve Schneider, the oil and gas audit  
10 manager, looked at Barrick Mercur Gold Mines' financial  
11 review and felt that it was adequate to support their  
12 self-bonding request.

13 So that's basically it in a nutshell in terms  
14 of what we're here today to have you approve.

15 MR. LAURISKI: Thank you.

16 Any questions for Mr. Munson?

17 MS. ERLER: I have one question.

18 Mr. Munson, as I read the reclamation  
19 contract, that is with Barrick Resources (USA).

20 MR. MUNSON: Yeah. I have to find that.  
21 Where are you -- reclamation contract in the back? Oh,  
22 okay, yeah --

23 MS. ERLER: Yeah.

24 MR. MUNSON: -- as an operator.

25 MS. ERLER: And Mr. Schneider's financial

1 review is Barrick Gold Corporation.

2 MR. MUNSON: Yeah, that may have just been . . .

3 MS. ERLER: I guess my question is, Is the  
4 Division comfortable with the -- with the corporate veil,  
5 the ownership entity in terms of . . .

6 MR. MUNSON: I would have to ask Mr. Schneider  
7 that question. I'm not -- I don't know if he's here.  
8 But we could check into that if you'd like us to. I -- I  
9 just don't have --

10 MR. LAURISKI: Is he right --

11 MR. MUNSON: I'm comfortable with it, but I  
12 don't know.

13 MR. LAURISKI: Can we get him? He's right  
14 down the hall, isn't he?

15 MR. MUNSON: Yeah. I just don't have that  
16 answer.

17 MR. LAURISKI: Actually, this might even be --  
18 this question might be answered for you if you look at  
19 the contract itself on pages 5 and 6. Page 5 is the  
20 Barrick Resources signature page signed by Clayton Landa,  
21 vice president and general manager. And on the other  
22 half of page 5, you turn that over, Barrick Gold  
23 Corporation signature page, signed by Jamie Sokalsky. Is  
24 that right? So it appears that both have accepted the  
25 responsibility, so that that covers the corporate veil.

1 And Mr. Schneider might be able to answer that, but it  
2 appears to me it's been covered by both bases.

3 MS. ERLER: Is that how you would interpret  
4 that, Mr. Munson?

5 MR. MUNSON: I would have to -- I'd have to --

6 MS. ERLER: -- rely on --

7 MR. MUNSON: Yeah.

8 MR. LAURISKI: Is Mr. Hedberg here?

9 MR. HEDBERG: Yeah. I believe that is  
10 correct. The parent has signed, as well as the --

11 MR. LAURISKI: -- operator.

12 MR. HEDBERG: -- the operator, yeah. So it's  
13 binding both.

14 MS. ERLER: Thank you.

15 MR. LAURISKI: Okay. Any further questions  
16 for Mr. Munson? Do you still wish to ask Mr. Schneider  
17 anything?

18 Mr. Schneider?

19 MR. SCHNEIDER: Yes.

20 MR. LAURISKI: The question's come up about  
21 the Barrick request, the reclamation estimate update in  
22 your financial review of Barrick Corporation, not Barrick  
23 Resources, Inc. I think our question was answered. When  
24 you get to the back of the contract, there's a signature  
25 for the operator, Barrick Resources, and there's a

1 signature page for the corporate entity, Barrick Gold.

2 Is that your understanding?

3 MR. SCHNEIDER: The reason why I did the  
4 financial review on Barrick Gold Corporation is because  
5 their annual report was entitled "Barrick Gold" and their  
6 application on the self-bonding qualifications said  
7 "Barrick Gold." So that is what I performed the review  
8 on.

9 MR. LAURISKI: Great.

10 MS. ERLER: Thank you.

11 MR. LAURISKI: Thank you.

12 Any further questions?

13 Mr. O'Hara.

14 MR. O'HARA: With regard to the question the  
15 Chairman's posing, I think it appears from the documents  
16 that Barrick Gold is intending to be bound by providing  
17 the signature page; however, if you look, for example, at  
18 the document itself up above, it doesn't make clear that  
19 both entities are on the hook, as it were. And might be  
20 prudent, I think, to have the documents just revised to  
21 make that clear so there's no question.

22 MR. LAURISKI: I think that's a good  
23 suggestion. Can you do that, Mr. O'Hara, for us?

24 MR. O'HARA: I'd be happy to work with staff  
25 to get it done.

1 MR. LAURISKI: Thank you.

2 Any further questions? What's the Board's  
3 pleasure?

4 MS. ERLER: Mr. Chairman, I move that subject  
5 to Mr. O'Hara's clarifying the legal issue, we approve  
6 this bonding.

7 MR. LAURISKI: Thank you.

8 I have a motion to approve subject to Mr.  
9 O'Hara's legal clarification. Do I have any question on  
10 the motion?

11 Do I have a second on the motion?

12 MR. CHRISTENSEN: Second.

13 MR. LAURISKI: Second.

14 All those in favor?

15 (Board members vote unanimously in the affirmative.)

16 MR. LAURISKI: Any opposed?

17 Thank you. It's approved.

18 Thank you, Mr. Munson. Would you -- Mr.  
19 Munson, would you do us a favor and ask Mr. Faddies if he  
20 would step back in now.

21 MS. ERLER: I will.

22 MR. LAURISKI: All right Ms. Erler will do it.

23 MS. ERLER: I have to step out, so . . .

24

25



C E R T I F I C A T E

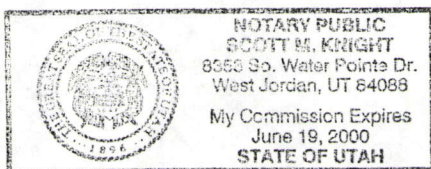
State of Utah                    )  
                                      : ss.  
County of Salt Lake )

THIS IS TO CERTIFY that the foregoing proceedings were taken before me, SCOTT M. KNIGHT, a Registered Professional Reporter and Notary Public in and for the State of Utah, residing at West Jordan, Utah;

That said proceedings were reported by me in Stenotype and thereafter caused by me to be transcribed into typewriting and that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages numbered from 3 to 8, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said proceedings, and that I am not interested in the event thereof.

WITNESS MY HAND and official seal at West Jordan, Utah, this 13th day of January, 1998.



*Scott M. Knight*  
\_\_\_\_\_  
Scott M. Knight, RPR  
Utah License No. 92-110171-7801

My Commission Expires:  
June 19, 2000